

## General Managers and Top Executives

(O\*NET 19005B)

### Significant Points

- General managers and top executives are among the highest paid workers; however, long hours and considerable travel are often required.
- Competition for top managerial jobs should remain intense due to the large number of qualified applicants and relatively low turnover.

### Nature of the Work

All organizations have specific goals and objectives that they strive to meet. General managers and top executives devise strategies and formulate policies to ensure that these objectives are met. Although they have a wide range of titles—such as chief executive officer, president, executive vice president, owner, partner, brokerage office manager, school superintendent, and police chief—all formulate policies and direct the operations of businesses and corporations, nonprofit institutions, and other organizations. (Chief executives who formulate policy in government are discussed in detail in the *Handbook* statement on government chief executives and legislators.)

A corporation's goals and policies are established by the chief executive officer in collaboration with other top executives, who are overseen by a board of directors. In a large corporation, the chief executive officer meets frequently with subordinate executives to ensure that operations are implemented in accordance with these policies. The chief executive officer of a corporation retains overall accountability; however, a chief operating officer may be delegated several responsibilities, including the authority to oversee executives who direct the activities of various departments and implement the organization's policies on a day-to-day basis. In publicly-held and nonprofit corporations, the board of directors is ultimately accountable for the success or failure of the enterprise, and the chief executive officer reports to the board.

The nature of other high level executives' responsibilities depends upon the size of the organization. In large organizations, their duties are highly specialized. Managers of cost and profit centers, for instance, are responsible for the overall performance of one aspect of the organization, such as manufacturing, marketing, sales, purchas-

ing, finance, personnel, training, administrative services, electronic data processing, property management, transportation, or the legal services department. (Some of these and other managerial occupations are discussed elsewhere in this section of the *Handbook*.)

In smaller organizations, such as independent retail stores or small manufacturers, a partner, owner, or general manager is often also responsible for purchasing, hiring, training, quality control, and day-to-day supervisory duties. (See the *Handbook* statement on retail managers.)

### Working Conditions

Top executives are usually provided with spacious offices and support staff. General managers in large firms or nonprofit organizations usually have comfortable offices close to the top executives to whom they report. Long hours, including evenings and weekends, are standard for most top executives and general managers, though their schedules may be flexible.

Substantial travel between international, national, regional, and local offices to monitor operations and meet with customers, staff, and other executives often is required of managers and executives. Many managers and executives also attend meetings and conferences sponsored by various associations. The conferences provide an opportunity to meet with prospective donors, customers, contractors, or government officials and allow managers and executives to keep abreast of technological and managerial innovations.

In large organizations, frequent job transfers between local offices or subsidiaries are common. General managers and top executives are under intense pressure to earn higher profits, provide better service, or attain fundraising and charitable goals. Executives in charge of poorly performing organizations or departments usually find their jobs in jeopardy.

### Employment

General managers and top executives held over 3.3 million jobs in 1998. They are found in every industry, but wholesale, retail, and services industries employ over 6 out of 10.

### Training, Other Qualifications, and Advancement

The educational background of managers and top executives varies as widely as the nature of their responsibilities. Many general managers and top executives have a bachelor's degree or higher in liberal arts or business administration. Their major often is related to the departments they direct—for example, a manager of finance may have a degree in accounting and a manager of information systems might have a degree in computer science. Graduate and professional degrees are common. Many managers in administrative, marketing, financial, and manufacturing activities have a master's degree in business administration. Managers in highly technical manufacturing and research activities often have a master's degree in engineering or a doctoral degree in a scientific discipline. A law degree is mandatory for managers of legal departments; hospital administrators generally have a master's degree in health services administration or business administration. (For additional information, see the *Handbook* statement on health services managers.)

In the public sector, many managers have liberal arts degrees in public administration or one of the social sciences. Park superintendents, for example, often have liberal arts degrees, whereas police chiefs are usually graduates of law enforcement academies and hold degrees in criminal justice or a related field. College presidents typically have a doctorate in the field they originally taught, and school superintendents often have a masters degree in education administration. (See the *Handbook* statement on education administrators.)

Since many general manager and top executive positions are filled by promoting experienced, lower level managers when an opening occurs, many are promoted from within the organization. In industries such as retail trade or transportation, for instance, it is possible for individuals without a college degree to work their way up within the company and become managers. Many companies prefer, however, that their top executives have specialized backgrounds and hire individuals who are managers in other organizations.



*General managers and top executives must communicate clearly and persuasively.*

General managers and top executives must have highly developed personal skills. An analytical mind able to quickly assess large amounts of information and data is very important, as is the ability to consider and evaluate the interrelationships of numerous factors. General managers and top executives must also be able to communicate clearly and persuasively. Other qualities critical for managerial success include leadership, self-confidence, motivation, decisiveness, flexibility, sound business judgment, and determination.

Advancement may be accelerated by participation in company training programs that impart a broader knowledge of company policy and operations. Managers can also help their careers by becoming familiar with the latest developments in management techniques at national or local training programs sponsored by various industry and trade associations. Senior managers who often have experience in a particular field, such as accounting or engineering, also attend executive development programs to facilitate their promotion to general managers. Participation in conferences and seminars can expand knowledge of national and international issues influencing the organization and can help develop a network of useful contacts.

General managers may advance to top executive positions, such as executive vice president, in their own firm or they may take a corresponding position in another firm. They may even advance to peak corporate positions such as chief operating officer or chief executive officer. Chief executive officers often become members of the board of directors of one or more firms, typically as a director of their own firm and often as chair of its board of directors. Some general managers and top executives establish their own firms or become independent consultants.

### Job Outlook

Employment of general managers and top executives is expected to grow about as fast as the average for all occupations through 2008. These high level managers are essential employees because they plan, organize, direct, control, and coordinate the operations of an organization and its major departments or programs. Therefore, top managers should be more immune to automation and corporate restructuring—factors which are expected to adversely affect employment of lower level managers. Because this is a large occupation, many openings will occur each year as executives transfer to other positions, start their own businesses, or retire. Because many executives who leave their jobs transfer to other executive or managerial positions, however, openings for new entrants are limited and intense competition is expected for top managerial jobs.

Projected employment growth of general managers and top executives varies widely among industries, largely reflecting overall industry growth. Overall employment growth is expected to be faster than average in services industries, but only about as fast as average in finance, insurance, and real estate industries. Employment of general managers and top executives is projected to decline along with overall employment in most manufacturing industries.

Experienced managers whose accomplishments reflect strong leadership qualities and the ability to improve the efficiency or competitive position of an organization will have the best opportunities. In an increasingly global economy, experience in international economics, marketing, information systems, and knowledge of several languages may also be beneficial.

### Earnings

General managers and top executives are among the highest paid workers. However, salary levels vary substantially depending upon the level of managerial responsibility, length of service, and type, size, and location of the firm. For example, a top manager in a very large corporation can earn significantly more than a counterpart in a small firm.

Median annual earnings of general managers and top executives in 1998 were \$55,890. The middle 50 percent earned between \$34,970 and \$94,650. Because the specific responsibilities of general managers vary significantly within industries, earnings also tend to vary consid-

erably. Median annual earnings in the industries employing the largest numbers of general managers and top executives in 1997 were:

Management and public relations .....	\$91,400
Computer and data processing services .....	90,600
Wholesale trade machinery, equipment, and supplies .....	65,900
Gasoline service stations .....	36,800
Eating and drinking places .....	33,000

Salaries vary substantially by type and level of responsibilities and by industry. According to a salary survey done by Executive Compensation Reports, a division of Harcourt Brace & Company, the median salary for CEOs of public companies from the fiscal year 1998 *Fortune* 500 list was approximately \$800,000. Three quarters of CEOs in the nonprofit sector made under \$100,000 in 1998, according to a survey by Abbott, Langer, & Associates.

In addition to salaries, total compensation often includes stock options, dividends, and other performance bonuses. The use of executive dining rooms and company cars, expense allowances, and company-paid insurance premiums and physical examinations also are among benefits commonly enjoyed by general managers and top executives in private industry. A number of CEOs also are provided with company-paid club memberships, a limousine with driver, and other amenities.

### Related Occupations

General managers and top executives plan, organize, direct, control, and coordinate the operations of an organization and its major departments or programs. The members of the board of directors and lower level managers are also involved in these activities. Other managerial occupations have similar responsibilities; however, they are concentrated in specific industries or are responsible for a specific department within an organization. They include administrative services managers, education administrators, financial managers, and restaurant and food service managers. Government occupations with similar functions are President, governor, mayor, commissioner, and legislator.

### Sources of Additional Information

For a variety of information on general managers and top executives, including educational programs and job listings, contact:

- American Management Association, 1601 Broadway, New York, NY 10019-7420. Internet: <http://www.amanet.org>
- National Management Association, 2210 Arbor Blvd., Dayton, OH 45439. Internet: <http://www.nma1.org>

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## Government Chief Executives and Legislators

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### Significant Points

- Over 9 out of 10 government chief executives and legislators work in local government.
- Most government chief executives and legislators are elected; local government managers are appointed.
- Few long-term career opportunities are available.
- There is less competition for executive and legislative jobs in small communities that offer part-time positions with little or no compensation or staff support.

### Nature of the Work

Chief executives and legislators at the Federal, State, and local levels direct government activities and pass laws that affect us daily. These